

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;
Mark Acton, Vice Chairman;
Tony Hammond; and
Nanci E. Langley

Periodic Reporting
(Proposal Five)

Docket No. RM2017-9

NOTICE OF PROPOSED RULEMAKING ON
ANALYTICAL PRINCIPLES USED IN PERIODIC REPORTING
(PROPOSAL FIVE)

(Issued July 5, 2017)

I. INTRODUCTION

On June 30, 2017, the Postal Service filed a petition pursuant to 39 CFR 3050.11 requesting the Commission to initiate an informal rulemaking proceeding to consider proposed changes to an analytical method related to periodic reports.¹ The Petition identifies the proposed analytical method changes filed in this docket as Proposal Five.

¹ Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Five), June 30, 2017 (Petition).

II. PROPOSAL FIVE

Background. The Postal Service currently uses sampling from the In-Office Cost System (IOCS) to divide accrued city carrier costs between letter routes and special purpose routes (SPRs). Petition at 2.

Proposal. The Postal Service proposes to replace IOCS sampling data with more comprehensive census data from the Time and Attendance Collection System (TACS) to determine the share of costs for letter routes and SPRs. *Id.* Proposal Five would not change any other costing methodologies. *Id.* at 3.

Rationale and impact. The Postal Service states that use of TACS census data would reduce the variability of statistical estimates of costs by route group due to sampling. *Id.* The Postal Service states further that practical challenges in implementing IOCS sampling may lead to systematic errors in IOCS-based estimates of total costs for carrier work assignments, including route group totals. *Id.* Table 1 purports to show the quarterly impact Proposal Five would have had on costs of the two route groups in FY 2016. See *id.* at 4-5. Table 2 shows the alleged impact on product costs. See *id.* at 5-7.

III. NOTICE AND COMMENT

The Commission establishes Docket No. RM2017-9 for consideration of matters raised by the Petition. More information on the Petition may be accessed via the Commission's website at <http://www.prc.gov>. Interested persons may submit comments on the Petition and Proposal Five no later than August 16, 2017. Pursuant to 39 U.S.C. 505, Lawrence Fenster is designated as officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. RM2017-9 for consideration of the matters raised by the Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Changes in Analytical Principles (Proposal Five), filed June 30, 2017.
2. Comments by interested persons in this proceeding are due no later than August 16, 2017.
3. Pursuant to 39 U.S.C. 505, the Commission appoints Lawrence Fenster to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in this docket.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary